

**EXHIBIT B**

**EXHIBIT B**

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IN RE: CASH CLOUD, INC. DBA COIN CLOUD

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TANNER JAMES

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Tuesday, August 22, 2023

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By: Karen L. Jones, NV CCR 694

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1 \*\*\*\*\*ROUGH DRAFT TRANSCRIPT\*\*\*\*\*

2 \*\*\*\*\*ROUGH ONLY\*\*\*\*\*

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4 BY MR. KISSNER:

5 Q. Good morning. My name is Andrew. I'm  
6 with Morrison & Foerster and I represent Enigma  
7 Securities Limited in this action. I'm going to ask  
8 you a couple questions today about Cash Cloud, Inc.,  
9 which I'm going to refer to as Coin Cloud or the  
10 debtor. I assume you'll understand when I say that.

11 Could you please state your name for the  
12 record.

13 A. My name is Tanner James.

14 Q. And have we ever met before?

15 A. Not in person.

16 Q. But we've spoken over Zoom  
17 videoconference before?

18 A. Correct.

19 Q. Have you ever been deposed?

20 A. I have not.

21 Q. You have not. And how are you feeling  
22 today?

23 A. Good.

24 Q. Good?

25 A. Yeah.



1 (A discussion is held off the record.)

2 (Exhibit 33 through 35 marked.)

3 EXAMINATION

4 BY MR. KINAS:

5 Q. Good afternoon, Mr. James. My name is  
6 Robert Kinas, K-I-N-A-S. I'm with Snell & Wilmer  
7 and we represent Genesis. I just have a couple of  
8 quick questions.

9 First, I wanted to just show you the  
10 three exhibits which are three different notices of  
11 depositions. One's the 30(b)(6) of Province, one is  
12 the deposition of you personally, and one is the  
13 deposition for 30(b)(6) for Cash Cloud.

14 (A discussion is held off the record.)

15 MR. KINAS: And those are exhibits --  
16 what are the numbers on those?

17 THE REPORTER: 33 to 35.

18 BY MR. KINAS:

19 Q. So I just want to ask whether you've  
20 seen those before?

21 A. Yes.

22 Q. Perfect.

23 Then we have an agreement with Enigma's  
24 counsel. We've agreed to ask our questions in  
25 conjunction with this just for efficiency's sake.

1           **A.           Thank you.**

2           Q.           So in the binder I'm going to be asking  
3           you a couple of questions about Tab 3. I believe  
4           it's Exhibit 2, it's your declaration. And then I  
5           will also be asking you a few questions about the  
6           surcharge motion which you've been handed as  
7           Exhibit 36.

8           **A.           Okay.**

9           Q.           So as part of your declaration, which is  
10          Tab 3, Exhibit 2, if you could turn to page 4. Let  
11          me know when you are there.

12          **A.           Okay. I'm there.**

13          Q.           So on page 4, paragraph 9, you mentioned  
14          that you received certain fee statements or e-mails  
15          from -- let's just go through them one by one --  
16          from the debtor's counsel for Fox Rothschild. Did  
17          they simply provide you an e-mail with the amount of  
18          fees and costs associated with the sale process?

19                      MR. MANN: Objection to form.

20                      **THE WITNESS: I believe Fox Rothschild**  
21          **was a combination of the fee statements and**  
22          **discussions orally with representatives of the**  
23          **debtor's counsel.**

24          BY MR. KINAS:

25          Q.           And did either you or members of



1 Province independently review those fee statements  
2 that related to the sale process?

3 **A. Not in their entirety.**

4 Q. Would it be true that you accepted the  
5 Fox Rothschild representation of fees and costs  
6 related to the sale process?

7 **A. I believe a majority of them had already**  
8 **received certificate of no objections, so therefore,**  
9 **yes.**

10 Q. And then as to committee counsel, your  
11 earlier testimony was that you received an e-mail  
12 from committee counsel that set forth the fees and  
13 costs associated with the sale process; is that  
14 correct?

15 **A. Yes.**

16 Q. And did you or any member of Province  
17 independently review the fee statements to determine  
18 the accuracy of that amount?

19 **A. We did not review Seward & Kissel's fee**  
20 **statements in full.**

21 Q. And then as to FTI, the financial  
22 advisors for the committee, you received an e-mail  
23 from Michael Tucker that set forth the fees and  
24 costs related to the sale process; is that true?

25 **A. Yes, we received an e-mail from FTI.**

1 Q. And did you or anyone at Province  
2 independently review the FTI backup statements to  
3 determine whether that was an accurate number?

4 A. I don't believe they were made available  
5 to us, so no.

6 Q. So now, if you would turn your attention  
7 to -- Exhibit 36 is the surcharge motion; is that  
8 correct? Do you have a copy of that in front of  
9 you, Exhibit 36?

10 A. Yes.

11 Q. On top of that, it would be  
12 Document 926, just to make sure we're looking at the  
13 same document?

14 A. Yes.

15 Q. So have you seen the -- we'll just call  
16 this the surcharge motion. Does that work for you?

17 A. Yes.

18 Q. So have you seen this surcharge motion  
19 before?

20 A. Yes.

21 Q. And have you read it?

22 A. Though I'm not a lawyer, yes, I've  
23 reviewed it.

24 Q. If you could turn to page 6 and read  
25 line 19 to 21 by yourself and let me know when

1 you're done.

2 **A. You said 19 to 21?**

3 Q. Yep, lines 19 to 21. Let me know when  
4 you're done.

5 **A. "As part" --**

6 Q. You don't have to read it out loud.  
7 Just read it to yourself and let me know.

8 **A. Okay.**

9 Q. And so according to the representations  
10 in surcharge motion Province was involved and  
11 consulted with the debtor about the sale of the  
12 assets at the auction; is that correct?

13 **A. I don't believe I'm the appropriate**  
14 **person to discuss these topics.**

15 Q. Are you generally aware, was Province  
16 involved in the sale process?

17 **A. Yes.**

18 Q. Okay. If you turn to page 7 and if you  
19 read lines 3 and 4. Let me -- read it to yourself.  
20 Just let me know when you finish reading those.

21 **A. Okay.**

22 Q. And as you sit here today, are you aware  
23 that the debtor filed a motion to approve the sale  
24 results on or about June 19, 2023? Are you aware?

25 **A. I don't believe I'm the appropriate**





1 person to discuss these.

2 Q. Are you aware of those facts personally?

3 A. I'm aware that the debtor filed a sale  
4 motion that was approved. Other than reviewing this  
5 document in front of me, would not have known the  
6 dates.

7 Q. Okay. Same page, if you could review  
8 page 7, lines 16 -- or 16 through 18 and let me know  
9 when you're done.

10 A. Okay.

11 Q. So in the surcharge motion -- again at  
12 page 7, line 16 -- the debtor states that the sale  
13 resulted in substantially less value to the estate  
14 than the parties anticipated. Do you see that  
15 sentence?

16 A. Yes.

17 Q. And in your role as vice president of  
18 Province, are you aware of -- what was the range of  
19 possible sale prices that the -- that Province  
20 thought possible before the auction process started?

21 A. I would defer to the principal who led  
22 the sale process on this.

23 Q. And who is that?

24 A. Daniel Moses.

25 Q. Same page, at page 7, lines 21 to 23, if

1 you could review those and let me know when you're  
2 done.

3 **A. Okay.**

4 Q. Do you see there where -- in the  
5 debtor's surcharge motion the debtor represents that  
6 while the debtor anticipated other potential sources  
7 of recovery, the sales collectively generated much  
8 less than the estimated secured debt. Do you see  
9 that?

10 **A. Yes.**

11 Q. And as you were -- you've been involved  
12 in the representing -- you've been involved in  
13 representing the debtor since you were employed  
14 officially by the bankruptcy court, correct?

15 **A. Yes.**

16 Q. And you were -- so at the time that the  
17 debtor was considering marketing the assets, were  
18 you aware that the debtor hoped that the sale would  
19 result in proceeds greater than the amount owing to  
20 secured creditors?

21 **A. I believe that Daniel Moses is the**  
22 **correct party to answer these questions. But I know**  
23 **that at the very least the former CEO anticipated**  
24 **significant proceeds.**

25 Q. You have been discussing today various

1 sale proceeds analysis and reports that you have  
2 prepared.

3 During the time you have been working on  
4 this case, the Cash Cloud case, for Province, have  
5 you prepared any spreadsheets or worksheets that  
6 anticipated a sale of the assets for greater than  
7 the amount of the secured debt?

8 **A. I don't recall if I've produced anything**  
9 **of that particular nature. Is there something in**  
10 **particular you can point me to?**

11 Q. Not at this time.

12 If you could turn to page 10 of the  
13 surcharge motion. Let me know when you're there.

14 **A. Okay.**

15 Q. If you could read the first four lines,  
16 1 through 4, to yourself and let me know when you're  
17 done.

18 **A. Okay.**

19 Q. So starting at line 2, the debtor in  
20 it's surcharge motion states, first, under the  
21 beneficial test a debtor must prove that its  
22 expenses were reasonable, necessary and provided a  
23 quantifiable benefit to the secured creditor. Do  
24 you see that?

25 **A. Yes.**

1 Q. So as part of your analysis, did the  
2 debtor specifically engage you to do an analysis  
3 evaluating whether the fees and costs of the  
4 professionals provided a quantifiable benefit to the  
5 secured creditors?

6 MR. MANN: Objection to form.

7 BY MR. KINAS:

8 Q. You can answer.

9 **A. Can you please restate your question.**

10 Q. My question is, did you in your capacity  
11 as vice president of Province, were you requested by  
12 the debtor to prepare an analysis that looks at  
13 whether the fees and expenses of the professionals  
14 provided a quantifiable benefit to the secured  
15 creditor?

16 MR. MANN: Same, objection to form.

17 BY MR. KINAS:

18 Q. And you can still answer.

19 **A. Yeah, I believe these were conversations**  
20 **with counsel --**

21 Q. But --

22 **A. -- of the debtor.**

23 Q. But there is no -- there's no written  
24 analysis of that; is that correct?

25 **A. Not an independent written analysis, no.**

1 Q. So if you could go to now your  
2 declaration, which is Tab 3, Exhibit 2, and let me  
3 know when you are there.

4 A. Okay.

5 Q. So if you could turn to Exhibit A which  
6 is pages 8 of 11 and 9 of 11, let me know when you  
7 are there.

8 A. Sorry, which pages?

9 Q. So this is Exhibit A, but if you look on  
10 the top, it is labeled page 8 of 11 and page 9 of  
11 11.

12 A. Okay. I'm there.

13 Q. So for the purposes of your declaration  
14 and for -- on page 8, for the purposes of the  
15 preliminary sale analysis, the preliminary sale  
16 analysis is where you determined the total number of  
17 machines, and then you determined how many were  
18 collateral for Enigma, Genesis and AV Tech; is that  
19 correct?

20 A. We put forth the debtor's best books and  
21 reflection of who encumbered what collateral, based  
22 on their books and records, though, that was not the  
23 primary focus of the analysis.

24 Q. But on that -- as it relates to the  
25 preliminary sale analysis, on page 8 of 11 on